

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

October 22, 2003

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The meeting was called to order by Chairman Keese at 10:05 a.m.

The Pledge of Allegiance was led by Commissioner Geesman.

William J. Keese	Present
Robert Pernell	Absent
Arthur Rosenfeld	Present
James D. Boyd	Absent
John L. Geesman	Present

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda)
 - a. COMMISSION BUSINESS MEETING SCHEDULE. Possible approval of the 2004 Energy Commission Business Meetings Schedule.
 - b. ELECTRICITY STORAGE ASSOCIATION. Possible approval of Contract 500-03-015 for \$10,000 for the conference on Electricity Energy Storage Applications and Technology to be held on October 27, 2003 in San Francisco, California.

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of the Consent Calendar. The vote was unanimous. (3-0)

2. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS. Possible approval of a \$30,000 grant to analyze the economic impacts associated with adopting a regional resolution requiring that new commercial and multifamily construction exceed the state's energy efficiency standard (Title 24).

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a \$30,000 grant to the Southern California Association of Governments. The vote was unanimous. (3-0)

3. VALERO REFINERY COMPANY. Possible approval of a petition from the Valero Refinery Company – California to extend the on-line date for Phase 2 of the Valero Cogeneration Project to November 1, 2005. The extension will allow Valero time to reconsider the viability of Phase 2 due to the uncertainty of the electricity market.

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval to extend the on-line date for Phase 2 of the Valero Cogeneration Project. The vote was unanimous. (3-0)

4. OTAY MESA GENERATING PROJECT (99-AFC-5C). Possible approval of a petition to modify the project description by separating and increasing stack heights of HRSG/Turbine, adding duck firing and small auxiliary boiler.

This item was moved to a future business meeting.

5. CALIFORNIA CLIMATE ACTION REGISTRY. Possible approval of a grant for \$200,000 to support Registry software upgrading, hosting and maintenance, development of the forest management and sequestration protocols, support ongoing recruitment of potential Registry members, and to support efforts to implement AB 1493. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a \$200,000 grant for the support of the California Climate Action Registry. The vote was unanimous. (3-0)

6. ENERGY CONSERVATION ASSISTANCE ACT ACCOUNT BOND FUND. Possible approval of a loan to the El Monte Unified School District for \$1,310,300 to install four 60-kilowatt natural gas fired microturbine cogeneration system, a 60-ton absorption chiller at the District's central kitchen and HVAC controls at various schools. This project is estimated to save about \$158,858 annually and has a simple payback of 8.2 years.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a loan to the El Monte Unified School District. The vote was unanimous. (3-0)

7. DEPARTMENT OF ENERGY CLEAN CITIES PROGRAM. Possible approval to negotiate Clean Cities grant agreements with 18 project applicants awarded \$2,480,000 for alternative fuel school bus acquisition, propane fueling infrastructure, compressed natural gas infrastructure and vehicles and Clean Cities Coalition Coordinator support. Projects were awarded funding under the 2003 U. S. Department of Energy's Clean Cities Special Energy Projects Solicitation.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval to negotiate Clean Cities grant agreements with 18 project applicants. The vote was unanimous. (3-0)

8. U.S. DEPARTMENT OF ENERGY (USDOE) SEP AWARD. Possible approval to accept \$54,310 from the USDOE SEP Special Project Award to update a Energy Commission 1982 study that assessed the potential geothermal direct-use market and generic applications for projects in California. This study will create opportunities for new uses or expand existing geothermal direct use applications in selected geothermal resource/geographical areas of the State.

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval to accept \$54,310 from USDOE SEP to update a Energy Commission 1982 study. The vote was unanimous. (3-0)

9. DYNAMIC PRICING REPORT. Discussion and possible approval of the Commission's Report to the Legislature on Dynamic Pricing mandated by Senate Bill 1976 (Torlakson, Chapter 850, Statutes of 2002).

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval, along with the ability to make minor editorial changes, of the Commission's Report to the Legislature on Dynamic Pricing. The vote was unanimous. (3-0)

10. PLATTS RESEARCH AND CONSULTING. Possible approval of Contract 500-03-014 for \$25,860 for a two-year subscription in the E Source Information Services. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-03-004. The vote was unanimous. (3-0)

11. GAS TECHNOLOGY INSTITUTE. Possible approval of Contract 500-03-013 for \$997,053 to investigate mold-resistant and energy-efficient residential building construction practices. (PIER funded).

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-03-013. The vote was unanimous. (3-0)

12. EXIT FEE REGULATIONS (Docket No. 03-CRS-01). Discussion and possible adoption of regulations governing data collection and customer exemptions from cost responsibility surcharges or exit fees. This rulemaking supports CPUC Decision 03-04-030 and the Commission's authority to collect data pursuant to PRC Sections 25213, 2518(e), 25216, 25301 and 25320

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Exit Fee Regulations (Docket No. 03-CRS-01). The vote was unanimous. (3-0)

13. COMMITTEE ASSIGNMENT. Possible approval of a Committee Assignment for the 2004 Integrated Energy Policy Report Update and the 2005 Integrated Energy Policy Report.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a Committee Assignment for the 2004 Integrated Energy Policy Report Update and the 2005 Integrated Energy Policy Report. The vote was unanimous. (3-0)

14. Minutes

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Minutes from the October 8, 2003 meeting. The vote was unanimous. (3-0)

15. Commission Committee and Oversight

No reports were given.

16. Chief Counsel's Report

Chief Counsel Bill Chamberlain, informed the Commission that as expected, Bill Powers had filed a challenge to the Commission's Palomar decision. Mr. Chamberlain provided the Commissioners a document that he had filed on the Commission's behalf. He also requested a closed session and introduced Ms. Jennifer Tachera, from his office to give a report on interventions that the Commission is involved with.

17. Executive Director's Report

Scott Matthews was sitting in for Executive Director Bob Therkelsen who was in Southern California briefing the Independent Review Panel. Mr. Matthews informed the Commission that the Commission was in the process of preparing materials for the transition. He indicated that those materials would be headed to the Commissioners this week.

18. Public Adviser's Report

Margret Kim, new Public Adviser to the Commission briefly highlighted the events that her office had been involved with.

19. Public Comment

Mr. Issa Ijalouney, spoke to the Commission regarding the Metcalf Energy Center and three issues that he wanted to bring up about the Center.

The meeting was adjourned at 11:15 a.m.

BETTY A. McCANN
Secretary to the Commission